

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Public Health Service  
Indian Health Service  
Rockville, Maryland 20857 Refer to: OAM/DRM

INDIAN HEALTH SERVICE CIRCULAR NO. 95-19

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**Administrative** Control of Funds Policy

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## 1. PURPOSE.

This circular adopts and supplements the Department of Health and Human Services (HHS) policy on Administrative control of Funds and Budget Execution as contained in the HHS Department of Accounting Manual Chapter 2-10 Administrative Control of Funds and Budget Execution Policy," by prescribing a system for administrative control of funds in the Indian Health Service (IHS). It is intended to accomplish the following:

- A. Establish IHS policy with regard to administrative control of funds.
- B. Prescribe a system for positive administrative control of funds, restricting obligations and disbursements against each appropriation or fund account to the amount available therein.
- C. Enable the Director, IHS, to fix responsibility for over obligation and over disbursement of appropriations, apportionments, allotments, allowances, and operating plan authority as well as violations of any nonstatutory restrictions imposed.
- D. Provide procedures, including reporting requirements, for dealing with violations of the Antideficiency Act, and with administrative violations.

## 2. AUTHORITY.

Following are the provisions in law, other regulations, and policies that pertain to the control of funds:

- A. Money and Finance, Title 31 United States Code(U.S.C.):
  - (1) Sections 1341-1342, 1349-1351, and 1511-1519 (part of the Antideficiency Act, as amended).
  - (2) Sections 1101, 1104-1108, and 3324 (part of the Budget and Accounting Act of 1921, as amended).
  - (3) Sections 1501-1502 (part of Section 1311 of the Supplemental Appropriations Act of 1950).
  - (4) Sections 1112, 1531, 3511-3512, and 3524 (part of the Budget and Accounting Procedures Act of 1950).

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- 8. Title X of public Law 93-344, found at 2 U.S.C. 681-688.
- c. OMB Circular No. A-34, "Instructions on Budget Execution," and related OMB Guidelines.
- D. Title 2 GAO Policy and Procedures Manual Chapter 2, Appendix I, F 50, Fund Control.
- E. HHS Departmental Accounting Manual Chapter 2-10.

3. SCOPE.

All provisions of this circular apply to all funds available to IHS and to all IHS employees who are responsible for systems for administrative control of funds; the budget execution and reporting prescribed in OMB Circular A-34; the issuance and control of funds authorizations; incurrence of obligations and/or authorization of disbursements; and the identification and reporting of statutory and non-statutory fund control violations.

**BACKGROUND**

A. Statutory.

Section 1514 of Title 331 of the U.S.C. requires the Head of each Agency, subject to approval of the President, to prescribe by regulation a system of administrative control of funds. The approval of fund control regulations has been delegated to the Director of OMB. The guidance contained in HHS Chapter 2-10, Departmental Accounting Manual meets all the requirements of law and has been approved by OMB. It states that each Agency will add supplemental implementing procedures to accommodate its own unique, organizational requirements and conditions. The IHS, and Agency of the Public Health Service (PHS) within the HHS, is establishing this circular to supplement the guidelines set forth in HHS Chapter 2-10, Departmental Accounting Manual to accommodate the unique organizational requirements and conditions of IHS.

B. Organization.

A critical element in the delivery of health care to the American Indians and Alaska Natives (AI/AN) is the management of the IHS programs and of the resources available to support them. The complexity and geographical dispersion of the IHS operations requires

a decentralized management system that permits decisions to be made at the organizational level closest to the sources of information and expertise. This permits the flexibility needed by the organization to make the most timely and appropriate responses to unique situations.

The management of IHS activities and resources is accomplished through an organizational structure and hierarchy that includes Headquarters, Area offices, and service units or an equivalent. In addition, selected construction activities or projects and the resources supporting them are managed by three HHS regional offices in accordance with the terms of a Memorandum of Agreement between the IHS and the Office of Engineering Services. The official representing the highest level of authority at each of these organizational units receives a delegation of obligational authority, Advice of Allotment (See Exhibit A), Advice of Allowance (See Exhibit B), or an Operating Plan Authority (See Exhibit C) which is available to support the operations at each location.

### (1) Headquarters.

The IHS Headquarters operations consist of several components. The component located at Rockville, Maryland, has the Director, IHS, as the Agency Head, accountable for the overall functional responsibilities at that location. Another component is Headquarters West located at Albuquerque, New Mexico, with the Program Manager as the highest level of authority, accountable for the overall functional responsibilities at that location. Also, a Headquarters component, Office of Health Program Research Development (OHPRD), is located at Tucson, Arizona with the Associate Director, OHPRD, as the highest level of authority, accountable for the overall function responsibilities at that location.

The role of IHS Headquarters is two-fold:

- a. To carry out the authorities, functions and responsibilities of a Federal Agency.
- b. To direct, monitor, coordinate and evaluate program and management activities carried out by Headquarters, Area offices, and service units. The director, IHS, and attendant

staff coordinate the IHS activities and resources with those of other Federal and local programs.

In keeping with the HHS Administrative Control of Funds and Budget Execution Policy, the Director, IHS, as the only official responsible for all functions and programs of the IHS, is the recipient for all Advice of Allotments issued for each appropriation or fund as apportioned to IHS by OMB.

With regard to the financial support of the Headquarters operations located at Rockville, Maryland, the Director, IHS, as the highest level of authority is also the recipient of the Advice of Allowance which provides the resources to finance the operational costs at this site.

For funding the Headquarters' operations located at Albuquerque, New Mexico, and Tucson, Arizona, the Program Manager, Headquarters West, and the Associate Director, OHPRD, are the highest levels of authority at those locations and as such are the official recipients of the Advice of Allowances which provide the resources to finance the operational costs at those sites.

(2) Area Offices.

Area offices are currently operative in 11 locations strategically located on or near the AI/AN reservations or communities with responsibilities based on geographic boundaries. The Area Directors, as the highest level of authority at these locations, are accountable for their overall functional responsibilities.

Area Directors are responsible for oversight of a multitude of functions such as the following:

- a. Participating in the establishment of goals and objectives, and applying IHS policies, and determining priorities within the framework of IHS policy in support of the IHS mission.

- b. coordinating the respective activities and resources internal and external to their organizations with those of other governmental and nongovernmental programs to promote optimum utilization of all available health resources.
- c. Ensuring the delivery of quality health care through the respective service units within the Area and participating in the development and demonstration of alternative means and techniques of health services management and delivery to provide Indian tribes and other Indian community groups with optimal ways of participating in IHS programs.
- d. Ensuring the development of individual and tribal capabilities to allow optimum participation in the operation of IHS programs commensurate with the means and modalities that Indian tribal groups deem appropriate to their needs and circumstances.
- e. Coordinating and providing administrative management and program management and program management support to the respective service units within the Area. The administrative management support functions include acquisition, financial, personnel, material, and facilities management. Program management support includes professional leadership in medicine, dentistry, nursing, pharmacy, laboratory, radiology, etc.

In keeping with HHS Administrative Control of Funds and Budget Execution policy, the Area Directors, as the officials responsible for all functions and programs within their jurisdiction, are the recipients of the Advice of Allowance which provides the resources to finance all the operational costs of the Area.

In addition to the service unit directors, the Area Directors, upon approval by the Director, IHS, as the sole allottee, may further subdivide the Area Advice of Allowance into Operating Plan Authority and issue the same to Area Directors. Since the Operating Plan Authority is the lowest subdivision of funds permitted, no further redelegation of obligational authority is allowed.

**(3) Service Units.**

Service units or their equivalent represent organizational units within the Area office organizational structure. The service unit directors, as the highest level of authority, are accountable for the overall functional responsibilities at these locations.

Service units carry out the vital IHS mission and are responsible for the delivery of health services at the local level. The service unit delivery system includes a combination of direct care provided by health care professional staff and contract referrals to private vendors of health care services. The size and scope of the service unit programs vary according to the size and health needs of the respective service populations.

Consistent with the policy with which obligational authority is issued to Headquarters and Area offices, the service unit director, as the highest level of authority at that location, receives a delegation of obligational authority from the respective Area Director. The obligational authority for service units is a subdivision of the Advice of Allowance issued to the Area Directors and is officially called the Operating Plan Authority. Since the Operating Plan Authority is the lowest subdivision permitted, no further redelegation of obligational authority is allowed.

**(4) Regional Offices.**

The IHS has entered into Intra-Agency Agreements with Regional Health Administrators (RHA) , at three HHS regional offices to provide construction/management' and leasing services to IHS Headquarters and Area offices. Based on the agreements, the RHAs, acting through the Office of Engineering Services, (OES) will provide architectural/engineering (A/E), contracting, construction, and leasing services to the IHS Headquarters and Area offices in support of IHS health care facilities construction management objectives. The three HHS/PHS Regional offices along with the IHS Areas they serve are located as follows:

- a. Region II - New York City, New York, serves Nashville Area.
- b. Region VI - Dallas Texas, serves Albuquerque, California, Navajo, Oklahoma' City, and Phoenix Areas.
- c. Region X - Seattle, Washington, serves Aberdeen, Alaska, Bemidji, Billings, and Portland Areas.

In addition to administering the IHS appropriation, the IHS is responsible for managing programs, projects, and activities supported by' resources contained in the Indian Health Facilities Appropriation. These resources support programs, projects, and activities that relate to construction, major repair, improvement, an equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for AI/ANs.

In accordance with the scope of work as contained in the Intra-Agency Agreements and as determined by IHS Headquarters and Areas, the OES will provide professional and support services. This includes A/E contracts; construction contracting and supervision necessary for new construction and



for renovation, modernization, maintenance, and repair of existing facilities; facility evaluation surveys and inspections; engineering studies; technical interpretations; and real property assistance<sup>6</sup>

The Regional Health Administrators, as the officials responsible for carrying out the IHS objectives, are the recipients of the delegation of obligational authority (Advice of Allowance), which provides the resources that finance the operational costs at each Regional Office. No further redelegation of obligational authority is allowed without prior approval by the Director, IHS, as the sole allottee for IHS.

## 5. POLICY.

It is the policy of the IHS that, within the guidance contained in this circular, recipients of Advice of Allotment, Advice of Allowance, and Operating Plan Authority are responsible for implementing a system of administrative control of funds within their respective organizations and for designating, in writing, 'each individual with the level and nature of fund control responsibility being assigned to them. Within the guidelines provided herein, each allowee may add supplemental implementing procedures to accommodate its own unique, organizational requirements and conditions. To ensure that any supplemental implementation instructions are consistent with the provisions of this circular, they must be sent to the Director, IHS through the Associate Director, Office of Administration and Management (OAM), for review and approval prior to actual implementation.

## 6. DEFINITIONS

The use of terms in this circular are consistent with those in HHS Departmental Accounting Manual Chapter 2-10, "Administrative Control of Funds and Budget Execution Policy," OMB Circular A-34 and other Treasury and GAO regulations. Following are standard terms used in the funds control process:

- A. Allotment. The authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount, pursuant to OMB apportionment or reappportionment action or other statutory authority making funds available for obligation.

- B. Allowance The Classification of obligational authority below the allotment level which is not subject to Antideficiency Act penalties unless an administrative violation causes a statutory violation of the related allotment. It is subject to strict fund control procedures.
- C. Operating Plan Authority The classification of obligational authority below the allowance level which is not subject to Anti-deficiency Act penalties unless an administrative violation causes a statutory violation of the related allowance and allotment. It is subject to strict fund control procedures. The further subdivision of obligational authority below this level is prohibited. This mechanism is viewed as a practical means of providing for the use of funds below the allowance level and is issued by allowance holders on the basis of a detailed plan.
- D. Allottee. The person who receives an allotment and is responsible for:
- (1) Administering the allotted funds.
  - (2) Conforming to the limitations in the allotment.
  - (3) Complying with the Antideficiency statute.
  - (4) Ensuring that obligations are pre-validated for fund availability prior to release. The allottee is subject to the penalties imposed for any violation of the terms of the allotment.
- E. Allowee. The person who receives an allowance and in this capacity acts for and is responsible to the allottee. These responsibilities include:
- (1) Administering the funds according to the stated purpose of the operating plan.
  - (2) Conforming to the limitations of law or other restrictions specified by the allottee. The allowee is subject to administrative discipline for any violation of the terms of the allowance.
- F. Operating Plan Authority Holder The person who receives an Operating Plan Authority allocation and in this capacity acts for and is responsible to the allowee. These responsibilities include:

- (1) Administering the funds according to the stated purpose of the operating plan.
- (2) Conforming to the limitations of law or other restrictions specified by the allowee. The operating plan holder is subject to administrative discipline **for** any violation of the terms **of** the operating plan.

G. Financial Operating Plan/Budget Execution Plan. A one year plan, the development of which is the responsibility of each allottee, allowee and operating plan authority holder of the IHS. This plan is developed in advance of the apportionment process based on the annual recurring base funding levels. This plan, which reflects total budgetary resources will generally be broken into quarters with amounts developed in accordance with seasonal or similar variations in fiscal requirements. Approved financial operating plans and the obligational authority available will determine the allotments, allowances, and operating plan authority to be issued.

H. Strict Fund and Control Procedure. A check for available funds to cover the commitment and obligation document prior to official release of such documents. This is normally an automated systems control feature but which may be performed manually where necessary. Each holder of obligational authority will be provided positive information as to availability of funds against which obligations may be incurred thereby precluding over obligation of the obligation authority.

I. Obligation Based Operating Plan. (OBOP). The OBOP is a detailed plan for each program or function for which resources have been allocated. It is used by allowance holders and Operating Plan Authority holders to indicate the purpose, timing, and manner in which those resources will be used for the fiscal year. The OBOPs combined at a higher level comprise an organization's Financial Operating Plan. Each plan is used to control the incurrence of obligations and is subject to strict fund control procedures.

## 7. RESPONSIBILITIES AND FUNCTIONS OF INDIVIDUALS.

The responsibilities and functions of the individuals who have a role in the financial management of an organization

are diverse and all interact in some way in handling the transactions that affect the appropriation and fund balances of the organization. They are as follows:

- A. **The D'** Director, as the IHS Agency Head and the sole allottee for the IHS, is responsible for:
- (1) Issuing all necessary designations/delegations of responsibilities/authorities to individuals.
  - (2) Administering the allotted funds for the purpose allotted.
  - (3) Conforming to the limitations included in the allotment and applying the limitations of the appropriation and other governing law.
  - (4) Complying with the antideficiency statute.
  - (5) Ensuring that obligations are prevalidated for fund availability prior to release.

The allottee is subject to the penalties imposed for any violation of the terms of the allotment. The allottee may delegate his authority to other appropriate officials except for the responsibilities for compliance with the Antideficiency statute.

- B. **The D'** Director Division of Resource Management is responsible for:
- (1) The preparation, coordination for approval, and submission of apportionment and reapportionment requests.
  - (2) Issuance of allotments within the limits of apportioned funds and in compliance with the Anti-deficiency Act, including assurance that allotments do not exceed the apportionment.
  - (3) Issuance of Advice of Allowances within the limits of the Advice of Allowances, Advice of Allotments, and apportionments and reapportionments. This official is subject to statutory penalties for fund control violations when the allotments exceed the apportionment or reapportionment; when the Advice of Allowances exceed the related allotment; or when the Operating Plan Authority allocations causes a statutory violation of the related allotment.

- C. The Director, IHS; Directors, Area offices; Associate West Directors, Office of Health Programs Research and Development; Program Director, Albuquerque Headquarters and HHS Regional Health Administrators representing the highest level of authority at their, respective organizational unit, are the designated allowees to receive Advice of Allowances and in this capacity act for and are responsible to the allottee as follows:

- (1) Administering the funds according to the stated purpose of the allowance.
- (2) Conforming to any limitations of law or restrictions specified by the allottee.

The allowee is subject to administrative discipline for any violation of the terms of the allowance. If the terms of the allowance are violated and cause a statutory violation of the allotment (Antideficiency Act) the allowee along with the allottee will assume statutory responsibility.

- D. The service unit directors, program director, and all other employees representing the highest level of authority at their respective organizational units or programs, who receive the Operating Plan Authority allocations from an allowee are the designated Operating Plan Authority holders and in this capacity act for and are responsible to the allowee as follows:

- (1) Administering the funds according to the stated purpose of the Operating Plan Authority.
- (2) Confirming to any limitations of law or restrictions specified by the allowee. The Operating Plan Authority holder is subject to administrative discipline, for any violation of the terms of the Operating Plan Authority.

If the terms of the Operating Plan Authority are violated and this causes a violation of the terms of the allowance that results in a statutory violation of the allotment (Antideficiency Act), the Operating Plan Authority holder, the related allowee, and the allottee will assume statutory responsibility.

- E. The Chief Administrative Officer (Associate Director, OAM at Headquarters and Executive Officers or Equivalent at Area offices) have the primary

responsibility of implementing and directing the system of administrative control of funds within their respective organizations.

- F. The Accounting Officer/Finance Officer's role in the fund control process is:
- (1) Ensuring that the transactions are recorded in a systematic way.
  - (2) Furnishing current financial management and frequent reports summarizing financial transactions to show the status of funds to allottees, allowees, and other persons involved.
  - (3) Promptly notifying the allottee, allowee, and Operating Plan Authority holders when it appears that the allotment, allowance, or operating plan authority is likely to be exceeded.
  - (4) Administratively responsible for pre-validating obligating documents as to availability of funds.
  - (5) Certifying the year-end analysis of appropriations and fund balances.
- G. The Certifying Officer while not concerned with funds control, pre-audits documents to ensure that vouchers are legally payable, examines the voucher for correctness of computations, ensures that goods and services received comply with the terms of the contract or agreement, and ensures that purchases are charged to the appropriate fund account.
- H. The Authorizing Official is delegated the authority to approve travel and should ensure that travel requests are prevalidated as to the availability of funds before final action is taken.

Authority to authorize travel may be delegated to a person other than the operating official to whom funds have been allotted or allowed. Often this authority is given to an administrative official at a level in the organization where it is possible to review all requests for the purpose of travel, to coordinate trips to single locations, and to obtain a uniformity of travel practices.

This travel authorization is similar in many respects to the personnel and purchasing function, but it often

involves a greater degree of control. The person who authorizes travel should ensure that travel requests are prevalidated as to the availability of funds before final action is taken.

- I. The Personnel Office is frequently the contracting officer for personnel services and, as such, plays an important part in facilitating the operating officials' requirements. This person classifies positions, assists in selecting personnel, employs the personnel and sees that the laws, rules, regulations, and policies governing personnel are adhered to. The personnel officer is not normally charged with the responsibility for determining which of several positions is the more important in carrying out a particular program or whether the employment of personnel warrants expenditure of limited funds. The personnel officer ensures that all requests for personnel actions are prevalidated for fund availability before taking final action.
- J. The Contracting Officer has the responsibility for purchasing and contracting and, in this capacity, actually incurs the obligation. This person plays an important part in facilitating program operations through purchasing and contracting acts. In assisting the program official in determining needs, he or she is responsible for compliance with the laws, regulations, and policies governing this work. Like the personnel officer, this person does not make a determination of needs relative to program accomplishment, but does ensure that all requests for purchasing and contracting are prevalidated for funds availability before taking the final action.

8. DESIGNATION/DELEGATION OF RESPONSIBILITIES/AUTHORITIES

A. Apportionment Requests.

The Director, IHS, as the sole allottee will designate in writing the person held responsible for the development of apportionment and reapportionment requests and the financial operating plans/budget execution plans. The allowees will designate in writing the person held responsible for the development and submission

to Headquarters of the financial operating plan/budget execution plans for their respective Area .

**B. Allotment Authority.**

The authority to issue allotments must be delegated to an official who is fully aware of the amounts to be made available and all legal and administrative restraints to be applied.

**C. Allowance Authority.**

The allottee may delegate all of his/her authority, except the responsibility for violation of Section 1517(a) of Title 31 U.S.C., to officials designated as allowees at Headquarters, Regional, and Area levels. This gives the operations person the needed authority to incur obligations for a specific program, segment of a program or administrative activity within the framework of higher level controls, i.e., apportionments and allotment.

Allowance authority is transmitted by the issuance of the HHS standard allowance document, HHS Form 626. In completing this form the allottee must clearly specify:

- (1) Any statutory limitation on the funds.
- (2) Any administrative restrictions on the funds.

**D. Operating Authority.**

The allowees may, in turn, assign further fund control to lower level organizations through the use of Operating Plan Authority. These plans are viewed as a practical means of providing for the use of funds below the allowance level, i.e., sub-sub-activity, special programs, cost centers, etc. The authority is transmitted by the acceptance and approval of the Operating Plan Authority. The plans themselves do not relieve the allowee of responsibility for fund control.

Establishment and execution of operating plans must be closely monitored for substantial deviations which could cause an overobligation of the allowance and thence of the allotment.



**E. Antideficiency Act Responsibilities**

In delegating responsibilities for fund control and budget, execution appointed officials at each level should clearly understand the relationship of the granted authority to accountability for violations of the Antideficiency Act. Responsibilities for acts of violation are fixed as follows:

**(1) Apportionment/Reapportionment**

Violating Act: Allotting funds in excess of the approved apportionment and reapportionment, for either direct funds or estimated reimbursement.

Responsible: The designated allotter.

**(2) Estimated /Reapportionment**

Violating Act: Incurring obligations against estimated reimbursable budgetary resources in excess of goods or services furnished when there is entitlement, valid orders received within the government, and advances received for orders outside the government.

Responsible: The designated allotter, allottee, allowee, and operating plan authority holder.

**(3) Allotment**

Violating Act: Incurring obligations or authorizing disbursements in advance of the allotment; and incurring obligations or authorizing disbursements in excess of an allotment, to include in excess of any statutory limitation or restriction.

Responsible: The allottee and the person

authorizing the advance action; and the allottee and offending person or persons at the operating level or the exceeding actions.

**(4) Personal Service Clause**

Violating Act: Employment in excess of that authorized by law (when specified).

Responsible The person authorizing the employment.

**(5) Voluntary Service Clause**

Violating Act: Acceptance of Voluntary services except in emergencies (see FPM 311.4) or where statutory authority permits.

Responsible: The person accepting the service for the Government.

**9. RELATIONSHIP TO THE ACCOUNTING SYSTEM**

Fund control means the measures taken to control use of fund authorizations and is an integral part of the accounting system. For instance, it involves the control and recording of commitments and obligations, the flow of transactions and related accounting from the point of authorization through apportionment, allotment, obligation and disbursement for funds subject to apportionment as well as the type of fund reservation and obligation control register to be maintained.

The IHS must utilize the accounting system to develop techniques for achieving an acceptable degree of fund control, which will ensure that:

- A. All apportionments and other subdivisions of funds are promptly issued and recorded at the beginning of the period in which they become available.
- B. Obligating documents are certified for availability of funds and cleared by the designated control point prior to release.

- c. All valid obligations are promptly recorded in the applicable reporting period, whether funds are available or not.
- D. All reimbursable orders received and earned are promptly recorded.
- E. Fund availability reports (status of fund authorizations) are produced from the accounting system and given to the allottee and all allowees and operating Plan Authority holders at frequent intervals (at least once each week) to preclude the need for supplementary records. Only when the accounting system does not record commitments, or the status reports are not timely, should there be a need for memorandum or 'cuff' records.
- F. The accounting system must be designed to promptly report a transaction that exceeds a recorded statutory limitation or a nonstatutory restriction.

Each person who has a part in the fund control processes shall be made aware of his/her responsibilities for the above actions. In addition, it is the responsibility of the Chief of each accounting and finance office to make sure that newly appointed allowees and operating plan authority holders understand:

- (1) Procedures for processing commitment and obligation documents.
- (2) Requirement of obtaining certification of fund availability.
- (3) Purpose and utility of the fund availability reports.
- (4) That fund authorization, fund reservation, and obligational documents must be periodically reconciled to the fund availability reports, and any differences promptly brought to the attention of the accounting office.

#### 10. GENERAL PROHIBITIONS.

Certain basic actions are prohibited by the Antideficiency Act. The HHS and the IHS interprets and applies the application of these prohibitions according to the following:

- A. Obligation or disbursement in excess of the amount available within an appropriation or fund including obligation or disbursement in excess of a statutory limitation (31 U.S.C.1517(a)).
- B. Obligation or contract for payment of money for any' purpose in advance of appropriations made for such purpose, unless specifically authorized by law. This includes obligation or disbursement for any purpose specifically prohibited by statute (31 U.S.C. 1341(a)).
- c. Obligation, or disbursement for a direct loan and a commitment made for guaranteeing a loan in excess of a limitation placed in an Appropriation Act for a credit program (31 U.S.C. 1517 (a)).
- Di Acceptance of Voluntary Service (31 U.S C. 1342).
- E. Employment of Personal Service in excess of that authorized by law (31 U.S.C. 1342).
- F. Obligation or disbursement in excess of an apportionment or reapportionment, including limitations placed in supporting documentation and footnotes, unless otherwise specified on the 5.F. 132 (31 U.S.C. 1517(a)).
- G. Obligation or disbursement in excess of an allotment (31 U.S.C. 1517(a)). Violation of any of these prohibitions is subject to penalties imposed by the Antideficiency Act. Below the allotment level, other administrative restrictions (nonstatutory prohibitions) may also be imposed. This means that the allowee or the operating plan authority holder will be subject to administrative discipline should the amount of the obligational authority, or any statute limitation or administrative restriction that is placed upon the document, be exceeded.

In the event the terms of the allowance or the Operating Plan Authority are violated and the overobligation or overdisbursement causes a statutory violation of the allotment, the person or persons responsible for the actions will assume statutory responsibilities along with the allottee.

## 11. PENALTIES AND VIOLATIONSQ.

Sections 1518 and 1519 of Title 21 U.S.C. Concerns the penalties for violating the Antideficiency Act. Key points are:

- A. Penalties apply to any officer or employee who knowingly and willingly causes a violation.
- B. Upon conviction, a person may be fined not more than \$5,000 or be imprisoned for not more than two years, or both.
- C. Depending upon the circumstances of the violation, a person may receive administrative discipline, which may lead to suspension from duty without pay or removal from the office.

The penalties imposed by the Antideficiency Act apply to holders of obligational authority at the apportionment and allotment levels, although another person acting under delegated authority may have caused the overobligation or overdisbursement of an appropriation, apportionment, or allotment. That person as well as the allottee and allotter, as appropriate, should be cited in the statutory violation report and be disciplined according to the severity of the charge.

Administrative discipline may be imposed for violations other than the statutory violations. This would apply to persons who overobligate or overdisburse the amount of an allowance or exceed the limitation or administrative restriction placed on the allowance, as well as those who exceed operating plans. The IHS officials will take appropriate disciplinary measures, which consist of:

- A. Letter of reprimand or censure for official record.
- B. Unsatisfactory' performance rating.
- C. Transfer to another position.
- D. Monetary penalty such as forfeiture of step increase, grade reduction, or suspension from duty without pay.
- E. Removal from office.

## 12. APPORTIONMENTS

- A. **Definition.**

Apportionment of funds is a formal distribution by the OMB of amounts available for obligation in an appropriation of fund account. The funds for apportioned limit the amount of allotments and obligations that may be issued or incurred either by total appropriation or by any limitation included in the approved apportionment. This prevents the obligation of an account in a manner that would require a deficiency or supplemental appropriation, and achieves the most effective and economical use of amounts available. Controls are imposed in two ways: by time periods (Category A) or by activities, projects, and/or objects (Category B).

All accounts will be apportioned other than (1) Those specifically exempted by 31 U.S.C., 1511 (b) or other laws; (2) those accounts whose budgetary resources are available only for transfer to other accounts, (3) Those whose resources have expired for obligational purposes or whose resources have been fully obligated before the beginning of the fiscal year, (4) Those exempted by ORB under authority of 31 U.S.C. 1516. Transfers to other agencies or accounts must be apportioned by the parent agency and must be consistent with the budget presentation or other transferring authority specified by law.

B. **Basis for Apportionment Action.**

In addition to the basic legal requirement for apportioning funds (preventing the necessity for deficiency or supplemental appropriations), apportionments must also:

- (1) Consider any other legal restrictions imposed by Congress, and
- (2) Be a part of the, organization's annual financial operating plan based upon a thoughtful and careful forecast of obligations.

Apportionment and reapportionment documents will be supported by sufficient data to justify amounts on various lines of the requests. Total amounts requested for programs, over the period of availability, must conform to the amounts appropriated as presented in the budget documents. Exceptions to this will occur when reprogramming is approved or when reimbursable work

results in activity which is more or less than initially expected. Examples of supporting data that could accompany apportionment and reapportionment requests are:

- (1) Sources and projected applications of reimbursements.
- (2) Identification of programs for which prior year unobligated funds will be used.
- (3) Explanation and identification of programs and amounts of changes to budget estimates resulting from Congressional actions.
- (4) Identity of transfers in and out.
- (5) Basis for development of Category A apportionment amounts.
- (6) List of activities, projects, and/or objects that support a Category B apportionment.
- (7) Other data specified by OMB that would assist in analyzing the amounts requested.

When supplemental or deficiency appropriations are necessary, apportionment requests must reflect the need for the additional funds. The OMB's approval of the request, however, does not authorize issuance of allotments and incurrence of obligations beyond existing laws.

Designated budget officials should be prepared to furnish OMB with the current year operating plan and other supporting information as requested by OMB examiners to assist in their quarterly review of apportionments required by 31 U.S.C. 1513.

**C. Requests for and Timing of Apportionments and Reapportionments**

Requests for apportionment and reapportionment will be initiated by the designated budget official on behalf of the Director, IHS. Subsequently, Departmental financial and budget officials will review the requests and supporting documents to determine accuracy of data and conformance with budget presentations and justifications, and special supporting data

requirements desired by the OMB. The Deputy Assistant Secretary, Finance (of his/her designee) as the delegate for the Secretary signs and forwards all requests to OMB.

The initial apportionment requests for the fiscal year must be submitted to ORB by either of the following:

- (1) By August 21 of the preceding fiscal year for accounts which have any budgetary resources that do not result from current action by the Congress.
- (2) Within 10 days after approval of the appropriation or substantive acts providing new budget authority or by August 21, whichever is later.

-Reapportionments will be required whenever amounts in approved apportionments are no longer appropriate because of a change in amounts available for obligation, including supplemental acts or the occurrence of unforeseen events.

**D. Deferrals.**

A deferral is an action or an inaction that temporarily withholds or delays the obligation or disbursement of authorized funds authority. A deferral can take place prior to or following apportionment. The action may be taken by OMB on its own initiative or at the request of an agency.

Several kinds of delaying or deferring actions may occur in the Department. The following are examples of typical actions and the resultant reporting that is required for each action:

- (1) There are routing financial management or procurement actions that affect the timing of obligation of funds. These internal management decisions do not affect the apportionment process and are not classed as deferrals for reporting to Congress.
- (2) Policy decisions may be made by officials to obligate apportioned funds provided for a specific purpose or project at a pace significantly slower than intended by the Congress. The agency "deferrals" are not required to be reflected in the apportionment schedules, but must be reported to Congress via special message.



- (3) Actions may be taken to defer obligations for programmatic reasons, i.e., providing for contingencies or achieving savings made possible by or through changes in requirements or greater efficiency of operations (Antideficiency Act.) These actions are reflected in the apportionment process and must be reported to Congress via special message.

Any withholding of budget or other obligational authority received through a continuing resolution covering only part of a year will be reported as a deferral, even if proposed for the duration of the resolution; Funds withheld from a continuing resolution providing funds for a full fiscal year may be reported as either a deferral or a rescission, depending upon the nature of the withholding.

When a multi-year apportionment is approved, the normal rules apply for the withholding of funds and sending of messages, i.e., a deferral is a temporary withholding of funds while a rescission is a withholding with the intention not to use the funds before they elapse. Deferral actions may not be taken for any period beyond the end of the fiscal year of the message. Deferrals for subsequent years must be reported at the beginning of each such fiscal year.

In determining which actions are to be reported, the primary criterion is the intent of the Congress in providing the funds. Pending Congressional action, obligating authority will be withheld and no obligations will be incurred that apply to the deferred funds.

The Congress may act to overturn the deferral by passing an impoundment resolution. In that event, positive action will be taken to release the funds and obligate according to Congressional intent. When funds have been deferred through the apportionment process, a reapportionment must be submitted the day following the passage of the resolution.

When Congress does not take action to disapprove reported deferrals, the funds may be released by another special message or may be deferred until the end of the fiscal year. Annual accounts and the last year of multi-year accounts, however, may be deferred only part of the year. As the fourth quarter approaches, these accounts as well as the other

deferrals should be reviewed and a decision made to either release the funds for use in the current year or propose that the funds be rescinded. (See OMB Circular A-34 for specifics.)

**E. Rescissions.**

A rescission is enacted legislation that cancels budget authority previously provided by the Congress before its authorized time for obligation has expired. Rescissions are proposed when the President determines that all or part of approved budget authority is not required to carry out the objective or scope of the program, and when all or a part of budget authority is to be reserved for the entire fiscal year. Congress may also propose rescission of approved budget authority.

At the time a rescission is proposed, apportionment forms must be submitted to OMB if the funds had been previously apportioned. While the rescission is under consideration, obligating authority will be withheld and no obligations will be incurred that apply to these funds. If Congress takes affirmative action on the exact amount proposed by the President, no further action is required (unless reapportionment action is requested for other reasons). If the amount rescinded by the Congress differs from the amount proposed, reapportionment requests must be promptly submitted to OMB. Actions to be taken on Congressionally proposed rescissions will vary depending upon the status of the initial apportionment request. (See OMB Circular A-34 for specifics).

If Congress does not complete action on the Presidential proposals within 45 calendar days of continuous session, any funds covered by the proposed rescission must be made available for obligation. In this case, reapportionment requests must be promptly submitted to OMB.

As can be seen by this guidance, action to defer or rescind, the use of funds may be initiated by the Agency, the Department, OMB, or the Congress. In any event, the appropriate budget official must initiate the related documents and follow the same routing instructions described for apportionments.

### 13. Reprogramming

A reprogramming is the utilization of funds in an account for purposes other than those contemplated at the time of appropriation. A transfer is the shifting of funds between appropriations and is prohibited without statutory authority. Thus, a reprogramming will not result in transfers between two or more appropriations, but is limited to changes within an account.

The appropriation and/or legislative committees determine the reprogramming guidelines to be followed by the organizations responsible for administering the appropriations provided by the particular committees. The House and Senate Committees on Appropriations for the Department of the Interior and Related Agencies, which includes IRS, has published the following guidance in their respective reports containing explanations of the accompanying bills making appropriations for the fiscal year ending September 30, 1995.

#### **REPROGRAMMING PROCEDURES.**

The Committee has revised its threshold for reprogramming from \$250,000 or 10 percent to \$500,000 or 10 percent and provided exceptions for certain programs in the Bureau of Land Management, the Bureau of Indian Affairs (BIA), and the Forest Service (See item C below).

The following are revised procedures governing reprogramming actions for programs and activities funded in the Interior Appropriations Act:

#### **A. Definition.**

Reprogramming - as defined in these procedures, includes the reallocation of funds from one budget activity to another. In cases where either Committee report displays an allocation of an appropriation below the activity level, that more detailed level shall be the basis for reprogramming.

For construction accounts, a reprogramming constitutes the reallocation of funds from one construction project identified in the justifications to another.

A reprogramming shall also consist of any significant departure from the program described in the agency's budget justifications. This includes proposed reorganizations even without a change in funding.

B. Guidelines for Reprogramming.

- (1) A reprogramming should be made only when an unforeseen situation arises; and then only if postponement of the project or the activity until the next appropriation year would result in actual loss or damage. Mere convenience or desire should not be factors for consideration.
- (2) Any project or activity which may be deferred through reprogramming shall not later be accomplished by means of further reprogramming; but, instead, funds should again be sought for the deferred project or activity through the regular appropriation process.
- (3) Reprogramming should not be employed to initiate new programs or to change allocations specifically denied, limited, or increased by the Congress in the Act or the report. In cases where unforeseen events or conditions are deemed to require such changes, proposals shall be submitted in advance to the Committee, regardless of amounts involved, and be fully explained and justified.
- (4) Reprogramming proposals submitted to the Committee for prior approval shall be considered approved after 30 calendar days if the Committee has posed no objections. Agencies will be expected to extend the approval deadline if specifically requested by other Committees.

C. Criteria and Exceptions Any proposed reprogramming must be submitted to the Committee in writing prior to implementation if it exceeds \$500,000 annually or results in an increase or decrease of more than 10 percent annually in affected programs, with the following exceptions:

- (1) With regard to the Tribal Priority Allocations activity of the BIA operations of Indian programs account, there is no restriction of reprogramming among the programs within this activity. However, the BIA shall report on all reprogramming made during the first six months of the fiscal year by no later than May 1 of each year, and shall provide a final report of all reprogramming for the previous fiscal year by no later than November 1 of each year.

- (2) [NOT APPLICABLE TO IHS] - [This section applies to the Bureau of Land Management (BLM) and the Forest Service Agencies of the Dept. of Interior only.]

D. Quarterly reports

- (1) All reprogramming shall be reported to the Committee quarterly and shall include cumulative totals.
- (2) Any significant shifts of funding among object classifications also should be reported to the Committee.

E. Administrative Administrative Overhead Accounts

For all appropriations where costs of overhead administrative expenses are funded in part from, assessments" of various budget activities within an appropriation, the assessments shall be shown in justifications under the discussion of administrative expenses.

F. Contingency Contingency Accounts

For all appropriations where assessments are made against various budget activities or allocations for contingencies, the Committee expects a full explanation, separate from the justifications. The explanation shall show the amount of the assessment, the activities assessed, and the purpose of the fund. The Committee expects reports each year detailing the use of these funds. In no case shall such a fund be used to finance projects and activities disapproved or limited by Congress or to finance new permanent positions or to finance programs or activities that could be foreseen and included in the normal budget review process. Contingency funds shall not be used to initiate new programs.

G. Declarations of Taking. [NOT APPLICABLE TO IHS]

H. Report Language

Any limitation, directive, or earmarking contained in either the House or Senate report which is not contradicted by the other report nor specifically denied in the Conference Report shall be considered as having been approved by both Houses of Congress.

I. Forest Service. [NOT APPLICABLE TO IHS)

**J. Assessments**

No assessments shall **be** listed against any program, budget, activity, sub-activity, or project funded by the Interior Appropriations Act unless such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees, in compliance with these procedures.

**K. Land Acquisitions**

Lands shall not **be** acquired for more than the approved appraised value (as addressed in Section 301(3) of 'Public Law 91-646) except for condemnations and declarations of taking, unless such acquisitions are submitted to the Committee on Appropriations for approval in compliance with these procedures.

**L. Land Exchanges.**

Land exchanges shall not **be** consummated until the Committees on Appropriations have had a 30-day period in which to examine the proposed exchange.

14. ALLOTMENTS.

It is the policy of the HHS that allotments will be issued at the highest practical level within the fund availability authorized by continuing resolutions, appropriation acts and fund limitations contained therein, apportionment schedules and limitations within the apportionment, and Section 601 of the Economy Act advance or reimbursement agreements.

**A. Objectives.**

- (1) To finance the allottee with a single allotment for each appropriation or fund affecting that person.
- (2) To keep allotments at the major budget activity level, if it is practical to do so. In no case will multiple allotments be made to the **same** allottee from the same budget activity level unless it is necessary to comply with appropriation and apportionment limitations or interagency agreements. A violation of the terms of the allotment is subject to provisions of the Anti-deficiency Act.

B. Criteria in Development of Allotment Structures,

In developing allotment structures within IHS the criteria shall be as follows:

- (1) Allotments shall be issued after the apportionment and reapportionment or other statutory authority notification is received, except as noted below. Annual allotments shall be issued on the first day of the fiscal year. Quarterly allotments shall be issued on the first day of the quarter.
- (2) Allotments shall be issued in accordance with an approved financial operating plan, [and] shall be revised as necessary to stay within the totals of amounts appropriated by the Congress and within the amount of apportionments and reapportionments.
- (3) Allotments shall be made to officials charged with the responsibility for directing an IHS program/operation or a significant portion of a program/operation. The allotment may be made to a regional or field organization when the program is placed at that level.
- (4) Allotments shall be issued to cover programs that are under a continuing resolution (apportionments may not be processed for these programs or appropriations). If there are no apportionments, the limit on authority to incur obligations will be as stated in the continuing resolution act.
- (5) A formal allotment document must be prepared in all circumstances even when, for example, the organization Head is both the allotter and the allottee.
- (6) When more than one allotment per appropriation or fund is issued, the allotter must make sure that controls are established in the accounting system to ensure that the sum of all allotments and any statutory limitations do not exceed the amount apportioned for that appropriation or fund.
- (7) A separate allotment is not required to control a legal limitation. The accounting system has been designed to establish intermediate controls within the allotment for that purpose.

- (8) A separate allotment shall be issued for orders and projects placed under Section 601 of the Economy Act where obligations can be distinctly identified, and are incurred after definite agreements have been established. Joint funded projects should have a single allotment covering all the participating agency funding agreements.
- (9) Allotments for estimated reimbursements apportioned, anticipated receipts, or transfers shall be issued after the actual agreement is reached between the parties unless it is not practical to do so. When an organization furnishes numerous reimbursable services, the allotment may include the value of both signed agreements and those anticipated within the allotment period. The amounts shall be separately annotated on the allotment document as a caution to the allottee not to obligate funds against unsigned orders.

If actual new agreements do not reach the estimated level, an adjustment must be made in the allotment as soon as the fact is known. If the amount apportioned for use from any appropriation or fund includes unrealized reimbursements or other anticipated receipts, they will not be allotted unless there is reasonable assurance that such items shall be collected, to the extent permitted by law or regulation, and deposited to the credit of the appropriation involved. Together, the allotter and the allottee must make this determination before permitting unrealized amounts to be used as a basis for incurring obligations. When it is known that such amounts will not be realized, the allotment must be adjusted accordingly.

- (10) The use of funds for obligation or disbursement must at all times be preceded by an allotment. There will be occasions when the administrative processes preclude having signed apportionments and processes preclude having signed apportionments and warrants before it is necessary to issue the authority to incur obligations. Under these circumstances (e.g., pending approval of apportionments from OMB while under a continuing



c resolution or immediately after enactment of an appropriation act) and if approval is expected, tentative allotments must be issued in sufficient time to permit incurrence of obligations.

- (11) The allotting official must ensure that a copy of the allotment document reaches the, appropriate accounting and finance office. This must be done simultaneously with the issuance to the allottee.
- (12) When the allottee wishes to revise the amount of the allotment, a justifying letter, with a revised financial operating plan for substantial changes, will be sent to the allotting official. Only in an emergency will fund authorizations be requested or approval given by telephone or other rapid communication means; and in all instances, a formal document will be prepared concurrent with the inapproval. Both the allotter and the allottee must keep a record of the informal communication and attach it to the follow-on document as supporting evidence of the prior approval.

Allotment procedures for expired appropriations are in Chapter 3-50 of the Departmental Accounting Manual.

## 15. **ALLOWANCES**

An allowance is a classification of obligational authority below the allotment level. This term is to be used uniformly throughout IHS in lieu of any other terminology. Allowances will be issued at the highest practicable level for those programs and activities set forth in the schedules of the Budget Appendix to operating officials at Headquarters, Regional, and Area offices.

The strict fund control procedures of the allotment apply equally to the allowance. A violator of the allowance is subject to administrative discipline. In the event a violation causes the related allotment to be overobligated or overdisbursed, the violation is also subject to the provisions of the Antideficiency Act.

The criteria for the application of allowances within IHS shall be the following:

- A. The HHS 626, Advice of Allowance, is the standard document to be used.

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- B. At least one allowance will be issued for each allotment.
- C. Allowances will be issued in accordance with an approved financial operation plan, and will be revised as necessary to never exceed the amount of funds allotted.
- D. Tentative, allowances will be issued at the beginning of each quarter pending approval of plans on newly enacted appropriations or continuing resolutions, and in sufficient time to permit incurrence of obligations.
- These allowances will be adjusted, as necessary, to bring obligational authority into agreement with any amendments to allotments following receipt of approved apportionments.
- E. Allowances will be issued immediately following receipt of or continuation of the respective allotment authority.
- F. The allottee must be sure that controls are sufficient to preclude the issuance of allowances in excess of, the allotment received.
- G. Funds will not be obligated or disbursements made before issuance or confirmation of the allowance authority. If the allowance document is delayed, for any reason, the allowee will contact the allottee and authorization approval may be given by telephone or other rapid communication means. In all instances, a formal document will be prepared concurrent with the informal approval and both the allottee and the allowee must keep approval and both the allottee and the allowee must keep a record of the informal communication and attach it to the follow-on document as supporting evidence of prior approval. This is an emergency procedure only, not the usual means of communicating allowance authority.
- H. Legal limitations and administrative restrictions may be placed on the allowed funds.
- I. Allowances to Headquarters, Regional, and Area offices will provide fund authority for all object classes required to support their operations.

16. OPERATING PLAN AUTHORITY.

An Operating Plan Authority is a classification of obligational authority below the allowance level. This term is to be used uniformly throughout IHS in lieu of any other terminology, operating Plan Authority will be issued at the highest practicable level for those programs. and activities set forth in the schedule of the budget appendix and/or as set forth in the justification of appropriation estimates for Committee on Appropriations to operating officials at Headquarters, Regional, Area offices and service units.

The holder of an operating plan must not exceed the approved plan. Violations are cause for administrative discipline. In the event such a violation leads to a statutory violation of the related allotment, the Operating, Plan Authority holder will be cited with the allowee and allottee and will be penalized according to the provisions of the Antideficiency Act.

For the application of Operating Plan Authority within IHS, the following criteria will be followed:

- A. The IHS Form 626a, Operating Plan Authority, is the standard document to be used. (See Circular Exhibit-94-00-C.)
- B. Operating Plan Authorities will be issued in accordance with an approved financial operating plan and will be revised as necessary to never exceed the amount of funds allowed.
- C. Tentative Operating Plan Authorities will be issued at the beginning of each quarter pending approval of plans on newly enacted appropriations or continuing resolutions, and in sufficient time to permit incurrence of obligations. These Operating Plan Authorities will be adjusted, as necessary, to bring obligational authority into agreement with any amendments to allowances following receipt of approved apportionments and related allotments.
- D. Operating Plan Authorities will be issued immediately following receipt of or continuation of the Advice of Allowance.
- E. The allowee must be sure that controls are sufficient to preclude the issuance of Operating Plan Authority in excess of the allowance received.

- F. Legal limitations and administrative restrictions may be placed on the Operating Plan Authority.
- G. Operating Plan Authority to program directors, service unit directors, 'etc., will provide fund authority for all object classes required to support their operations.

#### 17. OBLIGATIONS AND DISBURSEMENTS

Section 1501 of Title 31 U.S.C. describes the criteria for valid obligations. The Director, IHS, must ensure that all persons responsible for fund control adhere to the following requirements for obligations and disbursements, including all publications in control of funds:

- A. "Obligations and disbursements will not exceed the amount of the obligational authority made available.
- B. The allottee and the allowee are responsible to ensure the validity and accuracy of all obligations and disbursements.
- c. Each person having obligational authority is responsible for promptly submitting documents to the appropriate Obligation Control Point (OCP) residing in the accounting and finance office. Following OCP clearance, each accounting and finance office will promptly record the obligations and subsequent disbursements into the official accounting records.
- D. Budgetary resources made available by estimated reimbursements are not available for obligation until:
  - (1) Goods or services have been furnished and there is entitlement.
  - (2) Valid orders have been received.
  - (3) An advance has been received for orders from outside the Government.
- E. Obligations must be identified with the CAN which includes the component coding for the appropriation or fund, at the time incurred. In the event an allotment or allowance is revised that would require change in the CAN, obligations previously recorded must be promptly reclassified to the amended CAN or CANs.

- F. Obligations and disbursements are to be promptly recorded and reported at the earliest possible time.
- G. The recording of an obligation must not be delayed because there is a lack of funds.
- H. If a recorded obligation exceeds funds "available, the Chief of the accounting and finance office will immediately notify the appropriate obligating official and allottee that an apparent violation of Section 1341 (a) (i) of Title 31 U.S.C. has occurred and that further obligations should not be incurred.
- I. Status of funds reports to the allottee will clearly indicate the available balance of the allotment. The available balance will reflect unliquidated fund. reservation documents if the organization's accounting system does commitment accounting; otherwise the allottee must take into account the current reservations to properly control the funds. Although commitments may be accumulated in the records for strict fund control purposes, as are reported on the SF-133, 'Report on Budget Execution', along with other balances of apportioned and available funds.

1 8 . S P E C I A L - .

**Questionable Violations** Sometimes an event will occur that will appear to be a prohibited or questionable action but which upon investigation can be attributed to clerical error or failure to follow proper procedures. While some situations may not be reportable offenses, all should be thoroughly investigated for correction of the fault:

- A. **Commitments/Obligations** For purposes of effective financial planning and fund control, commitments may be systematically accumulated in accounting records in advance of their becoming valid obligations. When these records are used to prepare official reports on obligations incurred, appropriate adjustments must be made so that the amounts reported represent valid obligations as defined by law. Failure to do so could cause the appearance of an overobligation, although it is unlikely that a commitment or reservation entry would exceed the available amount. Obligations shall be recorded at the earliest possible time after the transaction has been consummated and without regard to the availability or unavailability of funds. In no event will the recording be withheld pending receipt of additional fund authority.

B. Errors. An error does not establish a bona fide obligation even though the accounting record may indicate otherwise. An error, however, can lead to an actual violation. For example, an overobligation incurred because an error led to the belief that sufficient funds were available is a violation. Actual violations, even though, caused by 'errors, must be reported.

c. Deobligation Procedures require the accounting and finance office to periodically review the records to make sure that only obligations meeting Section 1311 of the Supplemental Appropriations Act of 1950 criteria remain. Other amounts should be deobligated.

However, arbitrary deobligation action is taken at the risk of a future violation if subsequent payment or charges should result in a deficiency of fund authority.

D. Transmission of Fund Authorizations Procedures require that fund authorizations be made in a specific amount in writing. Any other means or more rapid communications (telephone, ADP terminal, telecopier, etc.) should be limited to emergency circumstances only. Written authorizations shall be prepared concurrently with less formal communication and promptly transmitted to the recipient. The recipient will fully document the communication and have it posted to the record. Upon receipt the formal authorization will be attached to the documentation used for recording 'purposes.

E. Overobligations and Overexpenditures Resulting from Inaccurate Estimates of Obligations In some cases, it is difficult for officials to estimate the ultimate liability of indefinite price contracts and other open ended obligations at a level that will ensure that sufficient funds are available for complete liquidation, and yet avoid the impression of creating a reserve or restricting the use of authorized funds. Any other solution might not stand the test of "incurring obligations in anticipation of subsequent appropriations."

#### 19. Violations AND Reports.

When it appears that an Antideficiency Act violation has occurred, all pertinent facts must be gathered to prepare the violation report required by Section 1351, 31 U.S.C.

Initially, each obligation and disbursement transaction that amounts available must be examined determine why the violation occurred and to name the person or persons who were responsible. Actions that are later taken to correct the cause of the violation do not negate the fact that a violation has occurred and must be reported. The amount of the 'violation is not a factor in determining whether a report must be submitted. All violations must be reported immediately upon discovery.

Administrative fund violations that occur through use of Advice of Allowances and Operating Plan Authority must also be examined and administratively reported. This is essential because loss of control or overt neglect of operational guides may ultimately lead to a legal violation.

Administrative violations are subject to examination and reporting each time cumulative obligations or costs exceed the total amount of the allowance or Operating Plan Authority and each time a restriction, such as a program limitation or object class target, is exceeded. Again, the amount of the violation is not a factor and all violations must be reported upon discovery.

20. **INTERNAL REPORTING OF VIOLATIONS.**

Any employee who is aware of an apparent violation, either legal or administrative, should report the apparent violation in writing to the Chief Administrative Officer (through their immediate supervisor) at the employee's place of employment. The Chief Administrative Officer (Executive Officer or equivalent) as the official with primary responsibility for implementing and directing the system of administrative control of funds will be responsible for preparing the report on apparent violations and ensuring its proper submission.

For IHS Headquarters (Rockville, Maryland and Albuquerque, New Mexico), The Office of Health Program Research and Development, HHS Regional Health Administration (where IHS funds are being managed and controlled) and IHS Area offices, a review of the fund status for each allotment, allowance, and operating Plan Authority account ill be conducted at least monthly to ensure that IHS is in compliance with all applicable fund control laws, rules, regulations, policies, etc.

For IHS Headquarters (Rockville, Maryland), a review to determine whether appropriations or apportionments, allotments, and allowances have been exceeded by

obligations, expenditures, and/or allocations will be conducted at least monthly. An investigation of the facts will reveal whether any excesses are to be classified as a legal or administrative violation.

Initial reports of all violations will be forwarded to the Director, IHS, through the appropriate administrative channels, which must include the allowees and when pertinent, the Operating Plan Authority recipients. A copy of those that appear to be legal violations will also be sent to the Deputy Assistant Secretary, Finance. Based upon the facts in the report, the IHS will issue instructions for further investigation. After an investigation, a final report shall be made. At that time and if warranted, administrative discipline shall be taken and appropriate corrective action shall be implemented.

For Headquarters, The Associate Director, Office of Administration and Management, as the official with the primary responsibility for directing the system of administrative control of funds, will be responsible for preparing the reports on apparent violations and ensuring their proper submission.

Reports will be prepared in accordance with Part III of OMB Circular A-34 except that administrative violations will be addressed to the Director, IHS, and signed by the principal investigator.

21. **EXTERNAL REPORTING OF VIOLATIONS.**

When it has been substantiated by the final report of the investigator that an Antideficiency violation has occurred, the Director, IHS shall IMMEDIATELY send the report to the Deputy Assistant Secretary, Finance, for the President and Congress. He will review the report and forward it to the Secretary for his signature.

In addition to reports of violations discovered within the IHS, reports shall also be made on violations not previously reported that are included in findings of the HHS Inspector General or the GAO in connection with audits and investigations. In these cases, the reports should explain why the violation was not discovered and previously reported. If the IHS does not agree with the GAO that a violation has actually occurred, a letter explaining the IHS point of view should be prepared for the Director, IHS, signature and transmitted through normal channels to the Deputy Assistant Secretary, Finance, for review and resolution.



(10/20/95)

INDIAN HEALTH SERVICE CIRCULAR NO. 95-19


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## 22. IMPLEMENTATION

The recipients of Advice of Allotments and/or Allowances are responsible for issuing any instruction deemed necessary to implement this system of administrative control of funds within their respective organization. To ensure that implementing instructions are consistent with the provisions of this circular, they must be sent to the Director, IHS, through the Associate Director, OAM, for review and approval prior to actual implementation.

## 23. EFFECTIVE DATE.

This circular is effective upon date of signature by the Director, IHS.



**Michael H. Trujillo**, M.D., M.P.H.  
Assistant Surgeon General  
Director, Indian Health Service

**DESIGNATION OF FUND CONTROL RESPONSIBILITIES  
TO THE DIRECTOR OF HEADQUARTERS OPERATIONS**

TO: Director of Headquarters Operations  
FROM: Director  
SUBJECT: Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A-34; Chapter 2-10, of the Departmental Accounting Policy Manual and the Indian Health Service (IHS) Administrative Control of Funds Policy, I hereby designate the Director of Headquarters Operations (DHO) to be responsible for the following fund control processes:

1. As applicable, for the implementation and/or execution of the IHS Administrative Control of Funds Policy.
2. Ensuring that each employee within your area of supervisory responsibility, who has a role or responsibility in the fund control processes, is informed of his/her responsibilities in writing.
3. Ensuring that all information received from each office to support the IHS apportionment and reapportionment requests is as requested by the Director, Division of Resources Management (DRM), Office of Administration and Management. This includes information associated with the execution of decisions made by the Director, IHS regarding the coordination and utilization of resources set aside and managed by Headquarters for specific projects, programs, activities, or functions (PPAF). At a minimum, this would require a utilization plan, outlining by budget activity or sub-activity (source of funds) each PPAF and its supporting funds by major object class, a brief description of the purpose of the PPAF, the quarter in which the funds are planned for obligation, and the method or mode of obligation, i.e. contract, purchase order, travel order, personnel action, etc.

A-1 (Continued)

Page 2 - Director of Headquarters Operations

4. You shall receive Operating Plan Authority(Operating Plan Holder) from the Director, DRM, at the direction of the Director, IHS, which delegates obligational authority in the amounts and for the purposes specified thereon. This authority cannot be further delegated.
5. In the capacity of an Operating Plan Authority Holder, you may act on behalf of the Director, IHS, and are directly responsible to the Director, IHS, for administering the funds. You are responsible for ensuring-that all actions taken'.by you on behalf of the Director, IHS are in accordance with the stated purposes of the Operating Plan Authority and for conforming to any limitations imposed by statute, regulations, policies, etc.and/or other restrictions as determined and communicated by the Director, IHS.
6. You are subject to administrative discipline for any violation of the terms of the Operating Plan Authority; however, in the event a violation causes the related allowance and allotment to be over-obligated or over-disbursed, the DHO is also subject to the provisions of the Anti-deficiency Act.
7. Eff. \_\_\_\_\_ Effective Date The above designated responsibilities are effective on the date that this memorandum is signed by the Director, IHS.

(Insert IHS Director signature  
block here.)

**DESIGNATION OF FUND CONTROL RESPONSIBILITIES**  
**TO THE ASSOCIATE DIRECTOR,**  
**OFFICE OF ADMINISTRATION AND MANAGEMENT**

TO: Associate Director  
Office of Administration and Management

FROM: Director

SUBJECT: Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A-34; Chapter 2-10, of the Departmental Accounting ~~Policy~~ **Poli** Policy Manual and the Indian-Health Service (IHS) Administrative Control of Funds Policy, I hereby designate the Associate Director, Office of Administration and Management (OAM) to be responsible for the following fund control processes:

1. Primary responsibility for the implementation and/or execution of the IHS Administrative Control of Funds Policy throughout IHS.
2. Primary responsibility for the implementation and/or execution of the IHS Administrative Control of Funds Policy at IHS Headquarters East.'
3. Ensuring that each employee within your area of supervisory responsibility, who has a role or responsibility in the fund control processes, is informed of his/her responsibilities in writing.
4. Ensuring that the Director, Division of Resources Management, OAM, has the support necessary to carry out the responsibilities and accountability of that position within the framework and provisions of the IHS Administrative Control of Funds Policy.

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Page 4 of 17  
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A-2 (Continued)

Page 2 - Associate Director, Office of Administration  
and Management

5. Maintaining a relevant and current IHS Administrative Control of Funds Policy through appropriate updates resulting from revisions in statute, OMB regulations, Department of Health' and Human Services (HHS) Policy, IHS reorganization, etc.
6. **Effect** \_\_\_\_\_ Effective Date This designation of responsibilities is **effective** on the date that this memorandum is signed by the Director, IHS.

(Insert IHS Director signature  
block here.)

**A-3 DESIGNATION OF FUND CONTROL RESPONSIBILITIES TO  
THE DIRECTOR, DIVISION OF RESOURCES MANAGEMENT**

TO: Director, Division of Resources Management, OAM  
FROM: Director  
SUBJECT: Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A-34; Chapter 2-10 of the Departmental Accounting Policy Man&W., and the Indian Health Service (IHS) Administrative Control of Funds Policy, I hereby designate the Director, Division of Resources Management (DRM), Office of Administration and Management, to be responsible for the following fund control processes:

1. As applicable, for the implementation and/or execution of the IHS Administrative Control of Funds Policy.
2. Ensuring that each employee assigned to the DRM who has a role or responsibility in the fund control processes is informed of his/her responsibilities in writing.
3. Developing the apportionment and reapportionment requests for the IBS and Indian Health Facilities Appropriations and all other funds for which an apportionment is required.
4. Submitting completed and properly approved apportionment and reapportionment requests through the appropriate organizational management structure for final approval by the OMB
5. Preparing and issuing Advices of Allotments based upon the approved apportionment, reapportionment, or other applicable authority.
6. Preparing and issuing Advices of Allowances to the appropriate IHS officials as determined and directed by the Director, IHS, and based upon the Advice of Allotment, the approved apportionment and/or reapportionment, or other applicable authority.

A-3 (Continued)

Page 2 - Director, Division of Resources Management

7. Preparing and issuing Operating Plan Authority to IHS officials at Headquarters East, Rockville, MD, as determined and directed by the Director, IHS, and based on the Advice of Allowance, Advice of Allotment, the approved Apportionment and/or Reapportionment, and/or other applicable authority.
8. Preparing and submitting all reprogramming requests in accordance with Department of Health and Human Services, Public Health Service, and IHS established procedures. This includes the requirement to obtain all of the necessary reviews and approvals within IHS.
9. Preparing and issuing meaningful resource management reports to Allottees, Allowees, Holders of Operating Plan Authority, and other officials whose role and/or responsibilities require such information. At a minimum, these reports should provide a status of availability of funds for each organizational entity in receipt of an Advice of Allotment Advice of Allowance, and/or Operating Plan Authority by the lowest level of detail contained in the above and should be presented at least monthly, and more frequently when requested.

The Director, DRM, is subject to statutory penalties for fund control violations when allotments issued exceed approved apportionments and reapportionments; when Advices of Allowances exceed the Allotments, Apportionments, and/or Reapportionments; and when Operating Plan Authority exceeds the Advices of Allowances, the Allotments, Apportionments, and/or Reapportionments.

The following guidance will be observed and followed in carrying out the aforementioned responsibilities:

#### **Apportionment and Reapportionment Requests**

You will ensure that the development and submission of apportionment and reapportionment requests are accomplished in accordance with the policies contained in OMB Circular A-34 and the IHS Administrative Control of Funds policy. In support of these requests, you must also ensure the development of an annual financial operating plan or budget execution plan, based

A-3 (Continued)

Page 3 - Director, Division of Resources Management

on plans prepared and submitted by each organizational entity in receipt of an Advice of Allowance and/or Operating Plan Authority. This plan must present information by activity, sub-activity, sub-sub-activity, and by a lower sub-division of funds when the lower level is subject to the reprogramming guidelines.

It is your responsibility to ensure that the apportionment and reapportionments requests are prepared and presented to the Director, IHS for approval prior to submitting them to the OMB for approval. The presentation shall fully explain any unique features or requirements associated with the planned use of available funds and should fully explain the basis from which the apportionment and/or reapportionment requests were developed.

### **Allotments**

Advices of Allotments will be prepared and issued to the Director, IHS as the sole allottee for all available funds.

### **Allowances**

Consistent with the current IHS organizational structure and delegation of program authorities, when appropriate, Advices of Allowances will be issued to the following IHS officials to enable them to meet their responsibilities in carrying out the mission of IHS:

Headquarters East - Rockville, MD	Director, IHS
Headquarters West - Albuquerque, NM	Program Manager, Headquarters West
Office of Health Program Research and Development, (OHPRD)	Associate Director, OHPRD
IHS Area Offices	Area Directors
HHS Regional Offices	Regional Health Administrators



A-3 (Continued)

Page 4 - Director, Division of Resources Management

### **Operating Plan Authority**

As appropriate, for Headquarters East, Operating Plan Authority will be issued to individuals or positions as determined and directed by the Director, IHS, as the Allowee.

NOTE: OPERATING PLAN AUTHORITY COULD BE ISSUED TO THE DIRECTOR OF HEADQUARTERS OPERATIONS FOR THE FUNDS ASSOCIATED WITH THE SCHOLARSHIP, CATASTROPHIC, AND TRIBAL MANAGEMENT GRANT PROGRAMS.

### **Violations/Penalties**

Violations of some prohibitions are subject to penalties imposed by the Anti-deficiency Act. Below the allotment level other administrative restrictions (nonstatutory prohibitions) may also be imposed. Accordingly, the Allowee or the Holder of an Operating Plan Authority will be subject to administrative discipline should the amount of the obligational authority or any statutory limitation or administrative restriction be exceeded or violated. However, in the event the terms of the Allowance or the Operating Plan Authority are violated and the over-obligation or over-disbursement causes a statutory violation of the allotment, the person or persons responsible for the actions will assume statutory responsibilities along with the allottee.

The penalties imposed by the Anti-deficiency Act apply to holders of obligational authority at the apportionment and allotment levels, although another person acting under delegated authority may have caused the over-obligation or over-disbursement of an appropriation, apportionment or allotment. That person as well as the allottee and allotter, as appropriate, will be cited in the statutory violation report and be disciplined according to the severity of the charge. Administrative discipline may be imposed for violations other than the statutory violations. This would apply to persons who over-obligate or over-disburse the amount of an Allowance or Operating Plan Authority and/or exceed the limitation or administrative restriction placed on either one.

### **Reporting**

The Director, DRM is responsible for ensuring that all employees in DRM are informed that any employee who becomes

A-3 (Continued)

Page 5 - Director, Division of Resources Management

aware of an apparent fund violation, either legal or administrative, should report the apparent violation in writing in accordance with the IHS Administrative Control of Funds Policy.

**Effective Date**

This designation of responsibilities is effective on the date that this memorandum is signed by the Director, IHS.

(Insert IHS Director signature  
block here.)

cc: Associate Director, OAM '

**DESIGNATION OF FUND CONTROL  
RESPONSIBILITIES TO THE AREA DIRECTORS**

**TO:** All Area Directors  
Associate Director, Office of Health Program  
Research and Development

**FROM:** Director

**SUBJECT:** Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A -34; Chapter 2-10, of the Departmental Accounting Policy Manual, and the Indian Health Service (IHS) Administrative Control of Funds Policy, each IHS Area Director, and the Associate Director, Office of Health Program Research and Development (OHPRD), are hereby designated to be responsible and accountable **as** follows:

1. For being the official recipient of Advices of Allowance (Allowee) for their respective Areas. Accordingly, you are responsible for the implementation' and/or execution of the IHS Administrative Control of Funds Policy ,within your respective Area.
2. The Advices of Allowance issued by Headquarters East, delegates obligational authority in the amounts and for the purposes specified thereon. You may act on behalf of, and you are directly responsible to, the Director, IHS, as the allottee, for administering the funds in accordance with the stated purposes of the allowance and for conforming to any limitations of law or other restrictions as noted thereon.
3. You are authorized to further subdivide the Advices of Allowance received for your respective Area. In executing this authority, the you are responsible for implementing and maintaining a proper system for subdividing the Area allowances through the issuance of Operating Plan Authority

A-4 (Continued)

Page 2 - All Area Directors and Associate Director, OHPED

in accordance with the IHS Administrative Control of Funds Policy. This system must ensure that Operating Plan Authority is issued only to those IHS officials authorized by the Director, IHS.

4. Each Area Director and the Associate Director, OHPRD and the Holder of Operating Plan Authority are subject to administrative discipline for any violation of the terms of the allowance and/or Operating Plan Authority. However, if a violation occurs and causes the related allotment to be over-obligated or over-disbursed,, you and the Holder of Operating Plan Authority are also subject to the provisions of the Anti-deficiency Act.
5. Ensuring that each IHS employee within your, respective Area, who has a role or responsibility in the fund control processes is informed of his/her specific responsibilities in writing.
6. Ensuring that responses to all requests from Headquarters for information to support the IHS apportionment process are completed.
7. Serving as the approving official for all requests submitted from your respective Area office to Headquarters for changes in the Area Allowances, such as proposals for reprogramming of funds.

The following guidance must be observed and followed in carrying out the aforementioned fund control responsibilities:

**Scope**

All provisions of this circular apply to all funds available to the IHS and to all IHS employees who are responsible for: systems for administrative control of funds; the budget execution and reporting prescribed in OMB Circular A-34; the issuance and control of funds authorizations; incurrence of obligations and/or authorization of disbursements, and the identification and reporting of statutory and non-statutory fund control violations.

A-4 (Continued)

Page 3 - All Area Directors and Associate Director, OHPRD

### **Internal Control**

You must ensure that the Administrative Control of Funds Policy is implemented consistent with the General and Specific Standards for Internal Control in the Federal Government as contained in Title 2, General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the OMB Circular A-123.

### **Apportionment and Reapportionment Requests**

You may redesignate the responsibility for the development of the Area information to be used by Headquarters in support of the IHS Apportionment and Reapportionment Requests; however, you must approve the submission of this information. This information also represents the basis for the distribution of funds on the Advices of Allowance.

### **Operating Plan Authority**

Operating Plan Authority is a classification of obligational authority below the Advice of Allowance level and represents the lowest subdivision level of resources permissible. Therefore, any further administrative subdivision of obligational authority below this level is prohibited.

You are responsible for the issuance of Operating Plan Authority for your respective Area in accordance with the IHS Administrative Control of Funds Policy.

### **Violations/Penalties**

Violations of some prohibitions are subject to penalties imposed by the Anti-deficiency Act. Below the Allotment level, other administrative restrictions (non-statutory prohibitions) may also be imposed. Accordingly, the Allowee or the Holder of an Operating Plan Authority will be subject to administrative discipline should the amount of the obligational authority or any statutory limitation or administrative restriction be exceeded or violated. If the terms of the Allowance or the Operating Plan Authority are violated and the over-obligation or over-disbursement causes a statutory violation of the allotment, the person or persons responsible for the actions will assume statutory responsibilities along with the allottee.

**A-4** (Continued)

Page 4 - All Area Directors and Associate Director, OHPRD

The penalties imposed by the Anti-deficiency Act apply to holders of obligational authority, at the apportionment and allotment levels, although another person acting under delegated authority may have caused the over-obligation or over-disbursement of an Appropriation, Apportionment or Allotment. That person as well as the allottee and allotter, as appropriate, will be cited in the statutory violation report and be disciplined according to the severity of the charge.

Administrative discipline may be imposed for violations other than the statutory violations. This would apply to persons who over-obligate or over-disburse the amount of an Allowance or Operating Plan Authority and/or exceed the limitation or administrative restriction placed on either one.

**Reporting**

You are responsible for ensuring that all employees within your respective Area are informed in writing of their responsibilities to report fund control violations, either legal or administrative, in accordance with the IHS Administrative Control of Funds Policy.

**Eff**      Effective Date

The above designation of responsibilities is effective on the date that this memorandum is signed by the Director, IHS.

(Insert IHS Director signature  
block here.)

**FORMAT FOR DESIGNATING FUND CONTROL  
RESPONSIBILITIES TO THE SERVICE UNIT DIRECTORS**

TO: Director, \_\_\_\_\_ Service Unit

FROM: Area Director.

SUBJECT: Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A-34; Chapter 2-10 of the Departmental Accounting Policy Manual, and the Indian Health Service (IHS) Administrative Control of Funds Policy, you are hereby designated the following fund control responsibilities:

1. As applicable, for the implementation and/or execution of the IHS Administrative Control of Funds Policy.
2. Ensuring that each employee within the \_\_\_\_\_ Service Unit, who has a role or responsibility in the fund control processes, is informed of his/her responsibilities in writing.
3. You are the official recipient of the Operating Plan Authority (Operating Plan Holder) issued by the Area Office which delegates obligational authority in the amounts and for the purposes specified thereon. This authority cannot be further delegated.
4. In the capacity of an Operating Plan Holder, you may act on behalf of and are responsible to the Director, \_\_\_\_\_ Area IHS for administering the funds in accordance with the stated purposes of the Operating Plan Authority and for conforming to any limitations of law or other restrictions as noted thereon.
5. You shall be subject to administrative discipline for any violation of the terms of the Operating Plan Authority; however, if a fund control violation occurs and causes the related Allowance and Allotment to be over-obligated or over-disbursed, you will also be subject to the provisions of the Anti-deficiency Act.

A-5 (Continued)

II

Page 2 -,Director, \_\_\_\_\_ Service Unit

The following guidance must be observed and followed in carrying out the above fund control responsibilities:

### **Scope**

All provisions of the Administrative Control of Funds Policy apply to all funds available to IHS and to all IHS employees who are responsible for: systems for administrative control of funds; the budget execution and reporting prescribed in OMB Circular A-34; the issuance and control of funds authorizations; incurrence of obligations and/or authorization of disbursements; and the identification and reporting of statutory and non-statutory fund control violations.

### **Operating Plan Authority**

Operating Plan Authority is a classification of obligational authority below the Advice of Allowance level and represents the lowest subdivision level of resources permissible. Therefore, any further administrative subdivision of obligational authority below this level is prohibited.

### **Violations/Penalties**

Violations of some prohibitions are subject to penalties imposed by the Anti-deficiency Act. Below the Allotment level, other administrative restrictions (non-statutory prohibitions) may also be imposed. Accordingly, the allowee or the Holder of an Operating Plan Authority will be subject to administrative discipline should the amount of the obligational authority or any statutory limitation or administrative restriction be exceeded or violated. If the terms of the Allowance or the Operating Plan Authority, are violated and the over-obligation or over-disbursement causes a statutory violation of the Allotment, the person or persons responsible for the actions will assume statutory responsibilities, along with the allottee.

The penalties imposed by the Anti-deficiency Act apply to holders of obligational authority at the apportionment and allotment levels, although another person acting under delegated authority may have caused the over-obligation or over-disbursement of an Appropriation, Apportionment or Allotment. That person as well as the allottee and allotter, as appropriate, will be cited in the statutory violation report and be disciplined according to the severity of the charge.



A-5 (Continued)

Page 3 -Director, \_\_\_\_\_ Service Unit

Administrative discipline may be imposed for violations other than the statutory violations. This would apply to persons who over-obligate or over-disburse the amount of an Allowance or Operating Plan Authority and/or exceed the limitation or administrative restriction placed on either one.

### **Reporting**

You are responsible for ensuring that all \_\_\_\_\_ Service Unit employees are informed that any employee who is aware of an apparent fund control violation, either legal -or administrative,- should report the apparent violation in writing in accordance with the IHS Administrative Control of Funds Policy.

### **Effective Date**

This designation of responsibilities is effective on date that this memorandum is signed by the Area Director.

(Insert Area Director signature  
block here.)

**FORMAT FOR DESIGNATING FUND CONTROL RESPONSIBILITIES**  
**TO THE REGIONAL HEALTH ADMINISTRATORS,**  
**REGIONS II, VI, AND X**

TO: Regional Health Administrator  
Region \_\_\_\_\_

FROM: Director

SUBJECT: Designation of Fund Control Responsibilities

In accordance with the Administrative Control of Funds and Budget Execution Policy contained in the Office of Management and Budget (OMB) Circular A-34; Chapter 2-10 of the Departmental Accounting policy Manual, and the Indian Health Service (IHS) Administrative Control of Funds Policy, you are hereby designated as the official recipient of IHS Advices of Allowance (Allowee) for the Region \_\_\_\_\_. Accordingly, you are responsible for the implementation and/or execution of the IHS Administrative Control of Funds Policy within Region \_\_\_\_\_.

The Advices of Allowance issued by the IHS Headquarters East, delegates obligational authority in the amounts and for the purposes specified thereon. In the capacity of an Allowee, you may act for and are responsible to the Director, IHS, as the Allottee, for administering the funds in accordance with the stated purposes of the Allowance and for conforming to any limitations of law or other restrictions as noted thereon. You are not authorized to further subdivide the allowances to Region \_\_\_\_\_. If further subdivision of the Allowance is desired, you must obtain approval from the Director, IHS, prior to implementation and execution of such an action.

You are subject to administrative discipline for any violation of the terms of the Allowance; however, if a violation occurs and causes the related Allotment to be over-obligated or over-disbursed, you shall also be subject to the provisions of the Anti-deficiency Act.

Page 2 - Regional Health Administrator

You are also responsible for the following:

1. As applicable, for the implementation and/or execution of the IHS Administrative Control of Funds Policy.
2. Ensuring that each employee assigned to the Regional Office, who has a role or responsibility in the IHS fund control processes is informed of his/her responsibilities in writing.
3. Ensuring that all requests from IHS Headquarters for information in support of the IHS apportionment process is provided to the requesting IHS official.
4. Ensuring that all employees are informed that any employee who is aware of an apparent fund control violation, either legal or administrative, should report the apparent violation in writing in accordance with the IHS Administrative Control of Funds Policy.

**Effective Date**

This designation of responsibilities is effective on the date that this memorandum is signed by the Director, IHS.

(Insert IHS Director signature  
block here.)

10/20/95

## ADVICE OF ALLOTMENT

Director  
Indian Health Service

ALLOTMENT NO. AMENDMENT NO. DATE

APPROPRIATION SYMBOL

	FIRST QUARTER	SECONO QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
ALLOWANCE PREVIOUSLY AUTHORIZED					\$0
ORIGINAL OR INCREASE IN ALLOWANCE					\$0
DECREASE					\$0
REVISED AMOUNT	\$0	\$0	\$0	\$0	\$0
PURPOSE OF ALLOWANCE OR REASON FOR CHANGE					

Persuant to Section 3679(g), Revised Statutes, as amended, accounts shown for future quarters beyond the current quarter are planning figures, subject to revision. Upon the effective date of the respective quarter, the planning figure will be recorded as the valid allotment amount in the accounts.

SIGNATURE

Cad L. Fitzpatrick

TITLE

Director, Dim of Resources Management

ADVICE OF ALLOWANCE

Director  
Indian Health Service  
Parklawn Building  
5600Filen Lane  
Rockville, Maryland 20857

ALLOWANCE NO.      AMENDMENT NO.      DATE

ALLOTMENT NO.

APPROPRIATION SYMBOL

ACTIVITY:      ACC't POINT:

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
ALLOWANCE PREVIOUSLY A U T H O R I Z E D					\$1
ORIGINAL OR INCREASE IN ALLOWANCE					\$1
DECREASE					\$
AMOUNT	\$0	\$0	\$0	\$0	\$
PURPOSE OF ALLOWANCE OR REASON FOR CHANGE					

CERTIFIED - DIVISION OF FINANCE - PHS

SIGNATURE

caLL L. Flitrick  
TITLE  
Director, Division of Resource Management

FILE:\OPPLAN95		OPERATING PLAN AUTHORITY			
Office of the Associate Director Office of Health Programs Headquarters East Parklawn Building 5600 Fishers Lane Rockville, Maryland 20657		ALLOWANCE NO. 5-39694	AMENDMENT NO.	DATE:	13 Jun-95
		ALLOTMENT NO. 5-39000			
		APPROPRIATION SYMBOL 7560390 Indian Health Sewice			
		ACTIVITY: DIRECT OPERATIONS: J942400		ACCTG POINT: 94	
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
ALLOWANCE PREVIOUSLY AUTHORIZED	-				\$0
ORIG'L/INCREASE IN ALLOWANCE					0
DECREASE					0
REVISED AMOUNT	\$0	\$0	50	\$0	\$0
PURPOSE OF ALLOWANCE OR REASON FOR CHANGE					

CERTIFIED - DIVISION OF FINANCE - PHS

SIGNATURE: \_\_\_\_\_  
Carl L. Fitzpatrick  
TITLE Director Division of Resources Management